

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.2119 Underwriting rules to be in writing; inconsistent transactions prohibited; uniform application of underwriting rules required; adoption of underwriting rules by affiliated insurer or by insurer with more than 1 rating plan; underwriting rules for new applicants and for renewals; filing and public inspection of underwriting rules; order prohibiting use of inconsistent underwriting rule.**

Sec. 2119. (1) Each insurer subject to this chapter shall put in writing all underwriting rules used by the insurer. An insurer shall not transact automobile or home insurance inconsistently with its underwriting rules.

(2) An insurer shall apply its underwriting rules uniformly and without exception throughout this state, so that every applicant or insured conforming with the underwriting rules will be insured or renewed, and so that every applicant or insured not conforming with the underwriting rules will be refused insurance or nonrenewed, when the information becomes available to the insurer.

(3) Affiliated insurers shall not adopt underwriting rules for automobile insurance contracts providing identical coverages which would permit a person to be insured, for automobile insurance, with more than 1 of the affiliated insurers, unless the affiliated insurers use identical rates and rating plans and have adopted identical underwriting rules in compliance with this section.

(4) An insurer with more than 1 rating plan for automobile insurance contracts providing identical coverages shall not adopt underwriting rules which would permit a person to be insured, for automobile insurance, under more than 1 of the rating plans.

(5) An insurer may establish underwriting rules for new applicants which are different than for renewals of existing insureds only if the applicants or existing insureds are not eligible persons. Underwriting rules pertaining to renewals of existing insureds who are not eligible persons may be based on a contractual obligation of the insurer not to cancel or nonrenew.

(6) For informational purposes, an insurer shall file with the commissioner its underwriting rules prior to their use in this state. All filed underwriting rules shall be available for public inspection. If the commissioner finds that an underwriting rule is inconsistent with the provisions of this chapter, the commissioner, after a hearing held pursuant to Act No. 306 of the Public Acts of 1969, as amended, shall by order prohibit further use of that underwriting rule.

(7) This section shall not prohibit an insurer from insuring persons who are not eligible persons pursuant to underwriting rules established under this section and sections 2117, 2118, and 2120.

**History:** Add. 1979, Act 145, Eff. Jan. 1, 1981;—Am. 1980, Act 461, Imd. Eff. Jan. 15, 1981.

**Popular name:** Act 218

**Popular name:** Essential Insurance

**Popular name:** No-Fault Insurance